

AGREEMENT BETWEEN
THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AND THE GOVERNMENT OF GRENADA REGARDING THE
CONSOLIDATION AND RESCHEDULING OF
CERTAIN DEBTS OWED TO, GUARANTEED BY, OR INSURED
BY THE UNITED STATES GOVERNMENT OR ITS AGENCY

The United States of America (the "United States") and
Grenada ("Grenada") agree as follows:

ARTICLE I

Application of the Agreement

1. In accordance with the recommendations contained in the Agreed Minutes on the Consolidation of the Debt of Grenada ("Grenada"), signed in Paris on May 12, 2006 (hereinafter referred to as the "Minute") by representatives of certain nations, including the United States, (hereinafter referred to as the "Participating Creditor Countries"), and by the representative of Grenada, and in accordance with the applicable domestic laws of the United States and Grenada, the United States and Grenada agree to consolidate and reschedule certain Grenada payments with respect to debts which are owed to, guaranteed by or insured by the United States Government or its Agency, as provided for in this Agreement.
2. The Export-Import Bank of the United States ("Ex-Im Bank") will notify Grenada of the respective amounts rescheduled hereunder.

ARTICLE II

Definitions

1. "Contracts" mean those commercial credits guaranteed or insured by the United States or its Agency, having original maturities of more than one year and which were extended to the Government of Grenada or its public sector, or covered by a guarantee of the Government of Grenada or its public sector, pursuant to an agreement or other financial arrangement concluded before June 30, 2004.

A table listing the relevant Contracts to be included under the rescheduling is attached hereto as Annex A.

Debt service due as a result of debts described above and effected through special payment mechanisms or other external accounts is covered by this Agreement.

2. "Agency" means Ex-Im Bank.
3. "Consolidation Period" means the period from: (i) January 1, 2006 through December 31, 2006, inclusive, if the conditions of Article IV, paragraph (5)(a) are satisfied; (ii) January 1, 2006 through December 31, 2007, inclusive, if the conditions set forth in Article IV, paragraph (5)(b) of this Agreement are satisfied; or (iii) January 1, 2006 through December 31, 2008, inclusive, if the conditions set forth in Article IV, paragraph (5)(c) of this Agreement are satisfied.
4. "Consolidated Arrears" means 100 percent of the sum of principal and interest, including Late Interest Charges, which was due and unpaid as of December 31, 2005 with respect to the Contracts specified in paragraph 1 of this Article.
5. "Consolidated Debt" means 100 percent of the sum of unpaid principal and interest falling due in the Consolidation Period, on Contracts specified in Paragraphs 1 of this Article.
6. "Late Interest Charges" means interest that has accrued through December 31, 2005 on Consolidated Arrears and on due but unpaid amounts of principal and interest, in accordance with the terms of the Contracts, notwithstanding any payment of principal and interest due subsequent to the original due dates.
7. "Interest" means interest payable on Consolidated Debt, Consolidated Arrears, and Capitalized Interest in accordance with the terms of this Agreement. Interest shall accrue at the rates set forth in this Agreement beginning on January 1, 2006 for payments of principal and interest comprising the Consolidated Debt and Consolidated Arrears and for deferred payments of Capitalized Interest.

8. "Capitalized Interest" means one hundred (100) percent of Interest accruing during the Consolidation Period on the outstanding balances of Consolidated Debt and Consolidated Arrears in accordance with the terms of this Agreement, at the rates specified herein.
9. "Additional Interest" means interest accruing at the rates set forth in this Agreement on due but unpaid installments of Consolidated Debt, Consolidated Arrears, Interest, and Capitalized Interest beginning on the respective due dates for such installments as established by this Agreement and continuing to accrue until such amounts are repaid in full.

ARTICLE III

Terms and Conditions of Payment

1. Grenada agrees to repay the Consolidated Debt and Consolidated Arrears in United States dollars in accordance with the following terms and conditions:

(a) The Consolidated Debt and Consolidated Arrears shall be repaid in fourteen (14) consecutive semi-annual installments, payable on January 15 and July 15 of each year, commencing on January 15, 2013 and ending on July 15, 2019, in accordance with the following schedule:

5.50% on January 15, 2013;	5.71% on July 15, 2013;
5.94% on January 15, 2014;	6.17% on July 15, 2014;
6.41% on January 15, 2015;	6.66% on July 15, 2015;
6.92% on January 15, 2016;	7.19% on July 15, 2016;
7.47% on January 15, 2017;	7.76% on July 15, 2017;
8.06% on January 15, 2018;	8.38% on July 15, 2018;
8.75% on January 15, 2019;	9.08% on July 15, 2019;

(b) The rate of Interest on Consolidated Debt, Consolidated Arrears, Capitalized Interest, and Additional Interest shall be as follows:

(i) For Ex-Im Bank debt, the rate of Interest shall be the per annum rate for each Interest Period, as defined in Annex E, determined by Ex-Im Bank to be one-half of one percent (1/2%) over the interest rate applicable to U.S. Treasury six-month borrowings, which is in effect on the first day of the Interest Period. For the initial Interest Period from January 1, 2006 through July 16, 2006, the semi-annual rate shall be 4.75%. For each subsequent Interest Period, Ex-Im Bank shall notify Grenada of the appropriate per annum rate for such period. The interest rate for Additional Interest will be determined as specified in Annex E.

A table summarizing the amount of Consolidated Debt and Consolidated Arrears owed to the United States and its Agency if the Consolidation Period covers the period from January 1, 2006 through December 31, 2008, inclusive, is attached hereto as Annex B.

(c) Grenada agrees to pay all debt service due and not paid, which is owed to, guaranteed by, or insured by, the United States or its Agencies, but which is not covered by this Agreement within 35 days after signature of this Agreement. Late interest will be charged on these amounts in accordance with the Contracts.

2. Grenada agrees to repay Capitalized Interest and Interest on Capitalized Interest in accordance with the following terms and conditions:

(a) One hundred (100) percent of Interest accruing during the Consolidation Period on the outstanding balances of Consolidated Debt and Consolidated Arrears shall be capitalized and repaid in five equal and successive annual installments, the first one to be made on July 15, 2009 and the last one on July 15, 2013, in accordance with the following schedule:

20% on July 15, 2009;

20% on July 15, 2010;
20% on July 15, 2011;
20% on July 15, 2012;
20% on July 15, 2013;

(b) Interest on Capitalized Interest shall be deferred and repaid in five equal and successive annual installments, the first one to be made on July 15, 2009 and the last one on July 15, 2013, in accordance with the following schedule:

20% on July 15, 2009;
20% on July 15, 2010;
20% on July 15, 2011;
20% on July 15, 2012;
20% on July 15, 2013;

(c) The rate of Interest on Capitalized Interest will be the same as the rate of interest stated in Article III, paragraph 1(b)(i).

A table summarizing the amount of Capitalized Interest owed if the Consolidation Period covers the period from January 1, 2006 to December 31, 2008, inclusive, is attached hereto as Annex C.

A table summarizing the amount of Interest on Capitalized Interest owed if the Consolidation Period covers the period from January 1, 2006 to December 31, 2008, inclusive, in accordance with the payment schedule indicated in Article III, paragraph 2(b), is attached hereto as Annex D.

3. Consistent with Article V, paragraph 2 of this Agreement, it is understood that adjustments may be made between the parties to this Agreement as mutually deemed necessary in the amounts of Consolidated Debt, Consolidated Arrears, Interest, Capitalized Interest, Interest on Capitalized Interest, Additional Interest, and Late Interest Charges.

ARTICLE IV

General Provisions

1. Grenada agrees to grant the United States and its Agency treatment and terms no less favorable than that which it has accorded, or which it may accord, to any other creditor country or its agencies for the consolidation of debts of comparable maturities.
2. Grenada agrees to secure from external creditors, including banks and suppliers, rescheduling or refinancing arrangements on terms comparable to those set forth in the Minute for credits of comparable maturities, making sure to avoid inequity of treatment among different creditors.
3. Grenada will inform in writing the Chairman of the Paris Club not later than November 30, 2006 of the status of its negotiations and of the contents of its bilateral agreements with non-Paris Club creditors and of the payments made to them.
4. Grenada agrees to pay all Consolidated Debt, Consolidated Arrears, Late Interest Charges, Interest, Capitalized Interest, Interest on Capitalized Interest and Additional Interest, if any, to the United States and its Agency, in United States dollars, without any deductions for taxes, fees or other public charges or any other costs accruing inside or outside Grenada.
5. (a) The provisions of this Agreement shall apply from January 1, 2006 to December 31, 2006, inclusive, provided that the Government of Grenada continues to have an Arrangement under the Poverty Reduction and Growth Facility ("PRGF") with the IMF;

(b) the provisions of this Agreement shall apply from January 1, 2006 to December 31, 2007, inclusive, provided that: (i) the Chairman of the Paris Club or his designee has notified Grenada in

writing that the consolidation period has been extended into its second phase, as specified in the Minute; and (ii) Grenada has made on due dates the payments to the Participating Creditor Countries;

(c) the provisions of this Agreement shall apply from January 1, 2006 to December 31, 2008, inclusive, provided that: (i) the Chairman of the Paris Club or his designee has notified Grenada in writing that the consolidation period has been extended into its third phase, as specified in the Minute; and (ii) Grenada has made on due dates the payments to the Participating Creditor Countries;

6. All terms of the Contracts remain in full force and effect, except as they may be modified by this Agreement.
7. With respect to amounts owed to Ex-Im Bank under this Agreement, Grenada (referred to as the "Government" in Annex E hereto) agrees to the additional terms and conditions set forth in Annex E.

ARTICLE V

Suspension or Termination

1. The United States may suspend or terminate this Agreement by giving sixty (60) days written notice to Grenada. In particular, the United States may terminate all or part of this Agreement if the Participating Creditor Countries determine that Grenada has not met its obligations under the Minutes, including that of comparable treatment. If the United States terminates all or part of this Agreement, all debts rescheduled under this Agreement shall be due and payable immediately according to terms of the original Contracts, following notification to Grenada of termination of the Agreement.

2. This Agreement may be amended or modified by mutual consent of the United States and Grenada.

ARTICLE VI

Entry into Force

This Agreement shall enter into force following signature of the Agreement and receipt by Grenada of written notice from the United States that all necessary U.S. domestic legal requirements for entry into force of the Agreement have been fulfilled.

Done at St. George's, Grenada, in the English language, this 11th day of July, 2007.

U.S. Ambassador to Grenada

Prime Minister &

Minister for Finance

Mary M. O'Quinn

Paul Anthony
FOR GRENADA

FOR THE UNITED STATES
OF AMERICA

ANNEX A

Contracts Subject to Rescheduling

Export-Import Bank

Loan Number

G072102

I024235

ANNEX B

Summary of Consolidated Debt and Consolidated Arrears
for the period January 1, 2006 through December 31,
2008

(thousands of U.S. dollars)

Ex-Im \$2,790

Total \$2,790

Annex C

Summary of Capitalized Interest
for the period January 1, 2006 through December 31,
2008

(thousands of U.S. dollars)

Ex-Im \$334

Total \$334

Annex D

Summary of Deferred Interest on Capitalized Interest
for the period January 1, 2006 through July 15, 2009
(thousands of U.S. dollars)

Ex-Im \$20

Total \$20

ANNEX E

ADDITIONAL TERMS AND CONDITIONS WITH RESPECT TO
AMOUNTS OWING TO EX-IM BANK

The Government of Grenada (hereinafter referred to as the "Government"), agrees to the following additional terms and conditions with respect to the amounts owing to Ex-Im Bank, guaranteed by Ex-Im Bank, or insured by Ex-Im Bank, pursuant to the attached Agreement between the Government of the United States of America and the Government:

A. Definitions.

1. "Business Day" means any day on which the Federal Reserve Bank of New York is open for business.
2. "Interest Payment Date" means with respect to Consolidated Debt and Consolidated Arrears, January 15 and July 15 of each year. In the event any Interest Payment Date is not a Business Day, then the next succeeding Business Day after such date shall be the Interest Payment Date.
3. "Interest Period" for purposes of Article III(1)(b)(i) means: (a) an initial period beginning on January 1, 2006 and ending on July 16, 2006; and thereafter, the period beginning on each Interest Payment Date and ending on the day immediately preceding the next succeeding Interest Payment Date.

B. Payments.

1. Funds and Place of Payment. All payments to be made by the Government to Ex-Im Bank under this Agreement shall be made in United States dollars in immediately available and freely transferable funds to the Federal Reserve Bank of New York for credit to Ex-Im Bank's account at the U.S. Treasury Department as identified below or as otherwise directed in writing by the Treasurer-Controller or an Assistant Treasurer-Controller of Ex-Im Bank.

US Treasury Department
021030004
TREAS NYC/CTR/
BNF=/AC-4984 OBI=
EXPORT-IMPORT BANK
DUE [DATE] ON EIB REFUNDING CREDIT NO. R-299

2. Payment on a Non-Business Day. Whenever any payment falls due on a day that is not a Business Day, the due date for such payment shall be extended to the next succeeding Business Day, and such extension of time shall be included in the computation of Interest in connection with such payment.

3. Application of Payments. All payments made by the Government to Ex-Im Bank under this Agreement shall be applied chronologically (commencing with the oldest) to amounts then due and payable under this Agreement in the following order of priority: (a) to Interest to the extent that any Additional Interest (as hereinafter set forth) due as of the date of payment on such Interest can be satisfied on the amount applied to such Interest, and if applicable, ratably to those Interest installments due on the same date, and (b) to the principal to the extent that any Additional Interest due as of the date of payment on such principal can be satisfied on the amount applied to such principal, and if applicable, ratably to those principal installments due on the same date.

4. Prepayments. The Government shall have the right to prepay on any Interest Payment Date all or part of the principal then outstanding under this Agreement; provided that the Government shall have paid all amounts due and payable under this Agreement as of the date of such prepayment, together with Interest which has accrued to the date of prepayment on the amount prepaid. Any such prepayment shall be applied by Ex-Im Bank to the outstanding installments of principal in the inverse order of their scheduled maturity, and if applicable, ratably to those installments of principal maturing on the same date.

C. Exporter Retentions. The term "Exporter Retention(s)" means with respect to the Contracts stipulated in this Agreement, (a) that portion of commercial credits from commercial lenders or U.S. exporters which was not guaranteed or insured by Ex-Im Bank and is owed to such commercial lenders or U.S. exporters or (b) loans from commercial lenders or U.S. exporters which were incurred in participation with loans from Ex-Im Bank. In the event that the commercial lender or U.S. exporter agrees to consolidate and reschedule its Exporter Retentions(s) in accordance with the terms of this Agreement, such Exporter Retentions(s) shall be included in the subject rescheduling.

D. Computation of Interest. Interest shall be computed on the basis of the actual number of days elapsed, using a 365-day year.

E. Additional Interest. If any amount of the principal or Interest owing to Ex-Im Bank under this Agreement is not paid in full on the due dates set forth in this Agreement, the Government shall pay to Ex-Im Bank on demand Additional Interest on the unpaid amount, accruing from the respective principal or interest due date until paid in full, computed on the same basis as Interest, at the rate stipulated in this Agreement.

F. Representations. The Government represents and warrants that it has taken all actions necessary or advisable under its laws and regulations to authorize the execution, delivery and performance of this Agreement and that this Agreement constitutes the valid and binding obligations of the Government, enforceable against the Government in accordance with its terms and for the performance of which the full faith and credit of the Government is pledged. The Government acknowledges that the activities contemplated by this Agreement are commercial in nature rather than governmental or public and agrees that, to the extent that it has or hereafter may acquire immunity from

suit, judgment and/or execution, it will not assert or claim any such right of immunity with respect to any action by Ex-Im Bank to enforce the Government's obligations under this Agreement.

G. Events of Default. In the event that the Government fails to pay when due (a) any amount owing to Ex-Im Bank under this Agreement or (b) any amount owing under any other agreement or instrument in which any indebtedness (whether direct or indirect, contingent or otherwise) of the Government thereunder is owed to, guaranteed or insured, in whole or in part, by Ex-Im Bank, then Ex-Im Bank, by written notice to the Government, may make immediately due and payable the entire principal amount owing to Ex-Im Bank and outstanding under this Agreement, plus accrued Interest and Additional Interest thereon to the date of payment, and all other amounts owing to Ex-Im Bank under this Agreement.

H. Miscellaneous Provisions.

1. Disposition of Indebtedness. Ex-Im Bank may at any time sell, assign, transfer, negotiate, grant participation in, or otherwise dispose of all or any portion of the indebtedness of the Government outstanding and owing to Ex-Im Bank under this Agreement to any party, and any such party shall enjoy all the rights and privileges of Ex-Im Bank under this Agreement. The Government shall, at the request of Ex-Im Bank, execute and deliver to Ex-Im Bank or to such party or parties as Ex-Im Bank may designate any and all further instruments as may be necessary or advisable to give full force and effect to such disposition by Ex-Im Bank.

In the event that Ex-Im Bank does decide to sell, assign, transfer, negotiate, grant participation in, or otherwise dispose of all or any portion of the indebtedness of the Government, Ex-Im Bank agrees to provide ten (10) days' prior written notice to the Government of such decision.

This notice is provided by Ex-Im Bank as a courtesy to the Government and shall in no way limit Ex-Im Bank at its sole discretion, to sell, assign, transfer, negotiate, grant participation in, or otherwise dispose of all or any portion of the indebtedness of the Government.

2. Expenses. The Government shall pay on demand all reasonable costs and expenses incurred by or charged to Ex-Im Bank in connection with or arising out of this Agreement, including without limitation costs and legal fees incurred by or charged to Ex-Im Bank in connection with the enforcement of this Agreement.

3. Adjustments. On or about 135 days after the implementation of this Agreement, Ex-Im Bank shall inform the Government of the actual amounts, if any, to be rescheduled hereunder. The parties hereto agree to make any necessary adjustments to the amounts being rescheduled.

4. Communications. All communications between the Government and Ex-Im Bank under this Agreement shall be in writing, in the English language (or accompanied by an accurate English translation). All communications to the Government shall be addressed to the Government at the address designated by the Government from time to time in writing to Ex-Im Bank; all communications to Ex-Im Bank shall be addressed to Ex-Im Bank at the following address:

Export-Import Bank of the United States
811 Vermont Avenue, N.W.
Washington, D.C. 20571
Attention: Treasurer-Controller
Telex: 89461 EX-IM BANK WSH
197681 EXIM UT
Reference: Grenada Bilateral Agreement R-299
Facsimile: (202) 565-3890

5. Governing Law. The Ex-Im Bank portion of this Agreement shall be governed by and construed in

accordance with, the laws of the District of Columbia,
United States of America.